

Head 9- Administrative Appeals Tribunal

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Administrative Appeals Tribunal for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Summary Report including my comments and observations on the financial statements of the Administrative Appeals Tribunal in terms of Section 11(1) of the National Audit Act No.19 of 2018, was issued to the Chief Accounting Officer on 17 May 2019. The Annual Detailed Management Report relating to the Tribunal was issued to the Chief Accounting Officer on 08 May 2019 in terms of Section 11(2) of the National Audit Act. This report is furnished to Parliament in terms of Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10 of the National Audit Act No.19 of 2018.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Administrative Appeals Tribunal as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibility of the Chief Accounting Officer for the Financial Statements

The Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and in accordance with the provisions in Section 38 of the National Audit Act No.19 of 2018, and for such control as the Chief Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act No.19 of 2018, the Tribunal is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Tribunal.

The Chief Accounting Officer should certify that an effective internal control system is prepared and maintained for the financial control of the Administrative Appeals Tribunal in terms of Sub- section 38(1)(c) of the National Audit Act and a review should be made from time to time on the effectiveness of that system and as such, necessary changes should be carried out to operate the system effectively.

1.4 Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's summary report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgement and maintain professional; scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to [provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tribunal's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Accounting Officer regarding among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5 Report on Other Legal Requirements

I state the following matters in terms of Section 6(d) and Section 38 of the National Audit Act No.19 of 2018.

(a) It could not be stated that the financial statements of the year under review correspond with the preceding year on, not having a requirement of preparing financial statements for the preceding year.

(b) Recommendations on the financial statements of the preceding year had not been furnished on not having a requirement of preparing financial statements relating to the preceding year by the Administrative Appeals Tribunal.

2. Financial Review

2.1 Expenditure Management

The following observations are made.

Audit Issue	Recommendation	Comment of the Chief Accounting Officer
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(a) Provisions made available being fruitless		

The provisions amounting to Rs.150,000 made available for 02 Capital Expenditure Objects had been saves without being utilized.	The annual expenditure should be estimated in a manner that the provisions mentioned in the Financial Regulation 50 could be achieved.	Even though it had been intended to alter the Office building in the year, it had not been able to find a building suitable for the functions of the Tribunal and the non- occurrence of other requirements.

(b) Making Over-provisions

The saving after The annual expenditure Even though it had been utilization of that should be estimated in a intended to alter the Office provision was ranging manner that the provisions building in the year, it had from 25 per cent to 71 mentioned in the Financial not been able to find a per cent of the Regulation 50 could be building suitable for the provisions made achieved. functions of the Tribunal and available on making the non- occurrence of other over- provisions for 03 requirements. Objects.

3. Operational Review

3.1 Non- achievement of the intended level of Outputs

The following observations are made.

Audit Issue

Recommendation

Comment of the Chief Accounting Officer

Even though it had been planned to wound up the activities 31 weeks after the receipt of an appeal as per the Action Plan, the Tribunal had not been able to take action accordingly.	Action should be taken according to the Plans.	Proper implementation being difficult on the practical problems that occur in implementing the prediction data.
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3.2 Annual Performance Report

The following observations are made.

Audit Issue	Recommendation	Comments of the Chief Accounting Officer
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It had been required to take action in 958 appeals in the beginning of the year under review and 424 appeals had been received in the year. Seventeen appeals had been recalled. As such, the total number of appeals that action should be taken in the year under review had been 1399. Activities had been wound up in 520 appeals in the year under review and actions in 879 other appeals had to be taken in the forthcoming year.	Action should be taken to wound up the appeals.	Your observation is correct.

3.3 Procurements

The following observations are made.

Audit Issue	Recommendation	Comments of the Chief Accounting Officer
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(a) Payments amounting to Rs.43,250 had been made without certifying that the goods were received in compliance with the specifications and other agreed conditions and without certifying that goods had been accepted by examining the goods in purchasing computer accessories and in printing 110 copies of the Annual Report.	Action should be taken in terms of the provisions in the Government Procurement Guidelines.	I accept that taking action in terms of those Regulations had been delayed. Hereafter, I would take action towards the non- occurrence of such a condition.
(b) The details and the quantities of the goods had not been mentioned in terms of the Guideline 3.4.2(a) of the Government Procurement Guidelines in calling for bids for purchasing Toners.	Action should be taken in terms of the Guideline 3.4.2(a) of the Government Procurement Guidelines.	I accept that the deficiency had been occurred. I would take action towards the non- occurrence of this condition hereafter.

- (c) Payments had been made without certifying that the function had been executed, in repairing steel tables. Action should be taken in terms of the Guideline 8.12.2 of the Government Procurement Guidelines. This deficiency is being accepted and action would be taken towards the non-occurrence of such deficiencies, hereafter.
- (d) Even though payment should not be made to the Officers who assist in procurement activities, in carrying out procurement activities under the Shopping Method and under the Direct Method, a sum of Rs.20,000 had been paid to a member of the Committee in this connection. Action should be taken in terms of the provisions in the Government Procurement Guidelines. It had been informed to the Officer to repay that money considering that your observation is correct and action would be taken to send a copy of the relevant receipt after making the payment of that money.

4. Achievement of the Sustainable Development Goals

The following observations are made.

Audit Issue	Recommendation	Comment of the Chief Accounting Officer
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It had been stated as ensuring equal access to justice for all and as promoting the rule of law at the national and international levels, in Target 16.3 of the Sustainable Development Goals, as per the Declaration “Status of Sustainable Development Goals Indicators in Sri Lanka 2017”. Even though the attention of the Tribunal should be paid towards the Sustainable Development Goals on the Tribunal being an Institution which takes action relating to Law, it was observed that attention had not been paid in this connection.	Action should be taken by the Institution to achieve those Goals on the achievement of the Sustainable Development Goals being a policy of the Government.	It is emphasized that action would be taken to ensure equal access to justice for all. This Tribunal is not required to promote the rule of law at the national and international levels on this Institution being an Institution that is restricted to provide solutions in national professional problems of the Public Officers and of the Police Officers